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Office Memorandum • UNITED STATES GOVERNMENT

TO

Director of Central Intelligence Agency

DATE:

OCT 24 1949

FROM

: Assistant Director, ORE

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SUBJECT: Proposed Reductions in Service Attache Staffs Abroad.

- 1. This Office has long been on record concerning (a) the general inadequacy of reporting from the field, (b) ORE's difficulties in obtaining answers to specific requirements for field collection, and (c) the need for a basic realignment of the collection machinery in order to eliminate these faults.
- 2. On 4 October 1949 the Department of State sent a circular telegram to selected US diplomatic missions, informing them that the Department of Defense proposed to make substantial reduction in attache personnel stationed abroad, and requesting field comments on the consequences of this proposal. Most of the comments have been received, a summary of which is contained in Appendix A attached to this paper, together with a resume of the proposed cuts and ORE comments concerning their effect on intelligence coverage in specific countries.
- 3. Since the attaches have been a fruitful source of information on political and economic matters as well as military, the Department of Defense proposal has serious consequences for CIA. It will reduce officer personnel available to the armed services for reporting by approximately 35%. Its actual effect on the quantity and quality of reports will probably be greater, because there is a certain minimum of representation and administrative duties that must be performed by an attache staff regardless of its size. Some areas will be left completely uncovered except for nominal reporting from neighboring posts. Since the attache system collects information for use in the production of national as well as departmental intelligence, it would seem improper for the Defense establishment to take unilateral action to reduce the effectiveness of the system without prior consultation with the DCI.

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c. In the event that the Defense proposal is implemented, increase the strength of OO and OSO in accordance with specific recommendations to be prepared by ORE, OSI, OO and OSO.

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Enclosure: Appendix A

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CIA® B COMMENTS ON THE PROPOSED REDUCTIONS IN SERVICE ATTACHE STAFFS ABROAD

General Observations

- 1. On 4 October 1949 the Department of State sent a circular telegram to practically all US diplomatic missions, informing them substantially of the following:
 - a. that the Secretary of Defense intended to make substantial reductions in attache personnel stationed abroad;
 - b. that, where attache posts are to be closed entirely, service representation at such posts will be conducted by attaches resident in neighboring countries; and
 - c. that, by NSC decision, the Department of State is responsible for reporting on military matters where no service representative is actually present.
- 2. The Department of State objected to a few cuts, concurred in the remainder, and requested field comments within three days. Practically all of these field comments have by now been received.
- 3. It is to be noted that the vast najority of the field comments received from US diplomatic posts abroad object to the proposed reductions. Among other reasons cited to support these objections, it is generally indicated that the proposed cuts would be disastrous from the intelligence-collection point of view.
- 4. While concurring in some of the proposed reductions, CIA agrees with most of the State Department and Foreign Service objections to them. CIA appreciates the spirit of budgetary economy from which this proposal stems, but feels that such sweeping outs in our service attache system at this time would have tremendously harmful effects on the US intelligence-collection effort.
- b. CIA has often pointed out that both the quantity and quality of US intelligence collection are highly inadequate, and that serious consequences for our national security may well be expected to follow if existing inadequacies in this vital prerequisite to national intelligence production are not corrected. To reduce these already inadequate collection facilities so drastically, without at the same time guaranteeing an improvement in their quality, seems particularly inadvisable during this most critical period.
- 6. Specific comments and recommendations on individual posts are given in the remainder of these comments. Some observations of a more general nature should first be noted by way of summary:

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- a. Intelligence coverage of any one country by an attache residing in a neighboring country is a practical impossibility. Such coverage is purely nominal and therefore of no help for intelligence collection.
- b. Attaches of one service are not competent to report on technical developments of another service, nor are civilians generally competent to report on service matters of any kind. In addition, the good-will and resultant accessibility to intelligence sources enjoyed by US attaches in relation to the local authorities of their respective services would by no means be vouchsafed to a taches of another service who might be doubling in brass, let alone to civilians, whether they be Foreign Service personnel or other field collabors, overt and covert.
- c. Great and harmful disproportion is observed in many of the proposed cuts at individual posts as between the attache staffs of the three services. Such reductions are frequently out of line with the intelligence workload and relative value of the attache staffs, and is practically guaranteed to cause extreme resentment on the part of the respective local service authorities whose opposite attache staffs are cut more than those of other services; or are eliminated entirely.
- d. US Training Missions to foreign governments are purely operational and advisory, and are by their very nature prohibited from indulging in intelligence reporting. Violations of this basis policy would cause a fundamental break-down in our program of Training Missions.
- e. US officers on combined staffs, such as in the North Atlantic Pact countries, do not perform intelligence reporting functions.
- f. Western Hemisphere solidarity would be jeopardized by the withdrawal of all US attaches from any one Latin American country, because this would probably result in the "ithdrawal of that country's attaches from Washington, which would mean its practical withdrawal from the Inter-American Defense Board. It should also be noted that some of the attache offices being cut in Latin America were established many years prior to World War II, were maintained during previous times of peace (even when the appropriations for US armed forces were at a low ebb), and were recognized as being necessary long before the Good Neighbor policy was enunciated. Extensive cuts in many MA offices in Latin America have already been offected since the close of World War II, and as a consequence these offices are already functioning at minimal personnel levels.

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7. These general observations, and particularly the specific considerations discussed below, make it imperative for CIA to urge and recommend most strongly that this whole question be respended with the Department of Defense, because of the serious repercussions which the proposed reductions in service attache staffs abroad would have on essential US intelligence operations.

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Specific Recommendations on Individual Posts

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CIA: Concurs.

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